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THE WHEAT SITUATION
Including Rye

Estimates of area and condition reported to date indicate that wheat production in the Northern Hemisphere may total about 3,400 million bushels or even less, the Bureau of Agricultural Economics reports. If crop conditions in the Southern Hemisphere countries are about average, world production, excluding Russia and China, may be expected to total from 3,800 to 3,850 million bushels, or about 300 million bushels more than in 1936-37. The outturn of the spring wheat crop of the United States, the Canadian crop, and the European crops is, of course, still uncertain. Errors in early estimates by countries in the past have been largely compensating, causing the total estimate to be fairly indicative of the production as a whole. Unusual developments, such as widespread rust damage, of course, would be expected to modify such indications.

World stocks of old wheat, excluding those of Russia and China, about July 1 seem likely to be reduced to about 530 million bushels compared with about 760 million bushels in 1936 and 675 million bushels, the 1924-28 average. If the indicated world production is realized, the world's wheat supply for the 1937-38 season would be around 4,350 million bushels, or only little greater than the 4,295 million bushels in 1936-37; and with the world disappearance about 3,765 million bushels, the average of the last 2 years, stocks at the end of the marketing year would still be below normal.

Stocks of wheat in the United States on July 1 will be at the lowest level since 1919. It now seems likely that total stocks of old wheat on hand will be only about 90 million bushels. While stocks of most classes will be low, stocks of hard red spring wheat will be especially small. Total indi-

cated winter wheat production contains less than the usual proportion of hard red winter wheat, and if the total spring wheat production amounts to only between 175 and 200 million bushels, as indicated by the June 1 condition, the hard red spring wheat crop may be short enough to again require considerable substitution of other wheats, mostly hard red winter.

Wheat prices in the futures markets of the United States have already adjusted to an export basis. The relation of price spreads to exports in past years indicates that the present spread is sufficient to result in the exportation of a considerable quantity of hard red winter wheat. With the fairly good crop of wheat in the Southwest, a continuation of the present price spread might induce exports in the early months of the season in excess of what might be justified on the basis of supplies and prospective requirements by classes of wheat.

Notwithstanding the fact that futures markets have adjusted to an export basis, some further adjustment in cash prices is likely. Cash prices are still on a comparatively high level on account of the scarcity of old wheat on hand. As the new wheat supplies which have now started to move from the Southwest increase in volume, cash prices are likely to adjust downward relative to prices in importing countries. Should downward adjustments in cash prices in the next few months be accompanied by significant exports, prices would be expected to advance later in the year, both because of the elimination of the surplus above usual domestic requirements and the prospective strengthening of world markets.

Prices in important domestic and foreign markets will continue to be unusually sensitive to crop developments, in view of the close adjustment between world wheat requirements and supplies, and the prospects that total world supplies in 1937-38 may not be much larger than during the season just ending. Crop developments in the United States and Canada will be particularly significant because these two countries will be important sources of export supplies until the Argentine and Australian crops become available next winter.

THE WORLD WHEAT SITUATION

BACKGROUND - Total world supplies of wheat, excluding those of China and including only net exports from Soviet Russia, averaged 4,100 million bushels for the 5 years, 1923-24 to 1927-28, increased to 5,013 million bushels in 1933-34, then declined sharply as a result of successive years of small production and increased world demand. Total world supplies for 1936-37 are estimated at 4,293 million bushels compared with 4,522 million bushels for 1935-36 and 4,696 million bushels for 1934-35.

Total world shipments of wheat averaged 751 million bushels for the 5 years 1923-24 to 1927-28, increased to a peak of 913 million bushels in 1928-29 (July-June), then declined sharply. Total imports in 1936-37 were estimated by the Bureau of Agricultural Economics at about 590 million bushels.

World market prices of wheat have been moving steadily upward since the spring of 1933, reflecting higher world commodity price levels, three successive below average harvests in North America, and last season's short Southern Hemisphere crops. During the current season, world prices have advanced sharply as a result of increased demand and the smallest supplies in recent years.

World Crop Prospects 1/

The wheat acreage in the 22 countries for which reports are now available is reported at 195.9 million acres (table 3), or a 10 percent increase over the 1936 acreage in the same countries. These countries in 1936 represented about 35 percent of the total wheat acreage in the Northern Hemisphere, excluding Russia and China. The increase this year is the result of the increase in the United States acreage; Europe, Africa, and India all show decreases.

The official estimate of the spring wheat acreage in Canada has not yet been released. Farmers' "intentions-to-plant" indicated a 1 percent decrease from the 1936 acreage. Unfavorable weather conditions over large areas, however, have probably reduced the acreage somewhat below that indicated by the intentions to plant. Throughout most of Eastern Canada, spring seedings have been retarded by cool weather and abundant rainfall. In the Prairie Provinces, as a whole, wheat seeding was virtually completed June 1. For all Canada the condition of wheat on May 31 was 85 compared with a condition

1/ See page 7 for discussion of the domestic crop prospects.

of 95 a year earlier. Drought conditions have continued to prevail in southern Saskatchewan, and, according to the report of the Dominion Bureau of Statistics on June 15, rains in that area would now be too late to improve grain crop prospects materially. Timely rain in Alberta during the first half of June, however, is reported to have arrested the threatened crop deterioration, and bright, warm weather is bringing growth along rapidly in that Province as well as in Manitoba.

Reports of the wheat sowings in Europe are still incomplete. In the 15 countries for which reports have been received, the acreage is estimated at 59.9 million acres, compared with 60.7 million acres sown in the same countries for harvest in 1936. These totals are comprised largely of winter wheat, since spring wheat estimates for the current season are available for very few countries.

Spring wheat acreage in Europe, however, comprises only a small percentage of the total wheat acreage. It now seems probable that most European countries will harvest average or below average crops of wheat and rye this year. Spring seedings have been made under very difficult conditions. Cool, rainy weather was widespread over Europe during March and April, making it impossible, in most cases, to increase spring wheat seedings, as had been planned in many countries to offset decreases that occurred at planting time last fall when unfavorable weather prevailed. This, together with an above normal winterkill and other damage, now points to the possibility of a total European crop about the same as the small production of last year. The most favorable outlook, at present, seems to be in the Danubian countries and in Greece and Tunisia. Some increase over last year's poor crop may be recorded in France, Italy, and Spain. The Paris office of the Bureau of Agricultural Economics estimates the crop in Italy to be 257.2 million bushels. This compares favorably with the short crop of 1936, when 224.3 million bushels were reported. The official estimate of production in Bulgaria is 64.0 million bushels, compared with 55.8 million bushels last year.

Winter wheat acreage in the Soviet Union, as provided for in the Plan, exceeds that of last year by 6 percent. No definite information is available as to whether the planned acreage has been seeded. On May 25, the total spring sowing program was 90 percent accomplished, compared with 93 percent on the same date a year earlier. Winterkill appears to have been greater than last year and above average. Weed growth is reported to be bad this year and may affect yields.

The acreage reported in the four North African countries represents a reduction of 2 percent from that of last year. Although some increase in the crop is expected this year, compared with last, the harvest seems likely to be well below average. Tunisia is the only country which is expected to have a very good crop, and it is the least important of the North African countries from the standpoint of wheat production. Production in Morocco this year is officially estimated to be 17.6 million bushels. This is far below the average crop, though better than last year's very small production. Algeria reports a crop of 32 million bushels, compared with 29.8 million bushels in 1936.

The May estimate of acreage in India is 32.7 million acres, as compared with the April estimate of 33.6 and the May 1936 estimate of 33.5 million acres. The production estimate has been lowered to 359.3 million bushels from the April estimate of 382.3 million bushels. This is slightly above the final estimate of the 1936 crop, which was placed at 352.2 million bushels.

The Shanghai office of the Bureau estimates the wheat crop in China to be in the neighborhood of 650 million bushels, or about 17 percent less than the production in 1936. Conditions over central and northern China last year were very dry for seeding, and over much of northern China the drought was unrelieved. Samples of early wheat are of a somewhat better quality than last year, as the moisture content is lower. The crop in Japan is estimated at 50.5 million bushels, compared with 45.9 million bushels in 1936. This is an increase of 10 percent over last year. Production in Manchuria is estimated to be 15 percent above the 1936 crop.

In Argentina there is a continued deficiency of moisture. Good rains are needed to germinate the seed.

Wheat is obtaining a good start in Australia, other than in New South Wales, where dry conditions prevail.

Supplies and trade

After 4 years of short crops it is expected that by the end of July the United States will be exporting significant quantities of wheat again. Until that time Canada and Australia are the only important sources of supplies, with the Danubian countries and India minor competitors.

The quantity of wheat available for export or carryover in the principal exporting countries as of June 1 is estimated at 145 million bushels this year compared with 267 million bushels in 1936 and 373 million bushels in 1935. The addition of United Kingdom port stocks and quantities afloat results in a total of 200 million bushels this year compared with 308 million bushels last year and 418 million bushels 2 years ago. Table 4 shows the stocks figures for the last 4 years by countries.

On the basis of shipments to date, the Canadian figure might be expected to be reduced from 63 million bushels on June 1 to about 50 million bushels on July 1, the Argentine figure to about 20 million bushels, and the Australian to about 35 million bushels.

India has again entered the world wheat market this year, shipping about 10 million bushels since July 1, 1936, which is the largest quantity exported since 1927-28. Indian wheat is generally sold at a disadvantage, because of the presence of a relatively high percentage of other grain and foreign material. Soviet Russia continues to remain out of the market. On June 1 the surplus in the Danubian countries had been reduced to about 25 million bushels. As has been pointed out in previous issues, the large exportable surplus of about 100 million bushels in the Danubian countries this season has served to prevent a very tight situation in some European importing countries.

The grain movement for the principal countries this year compared with that of the corresponding periods during the past 2 years is shown in tables 4 and 10.

Foreign wheat prices 2/

Liverpool and Winnipeg prices declined since the middle of May, influenced by new crop prospects and less concern on the part of European buyers regarding future supplies. The decline, however, was checked in early June when dry conditions in southern Saskatchewan in Canada, and Montana in the United States were unrelieved, and rust was reported as far north as Nebraska. For the week ended June 12 the daily closing prices of July futures at Liverpool averaged 126⅓ cents compared with 141 cents for the week ended May 22.

During the past month Canadian prices have become more favorable to exports while those at Buenos Aires have become less favorable. July futures at Winnipeg for the week ended June 12 averaged 10 cents under those at Liverpool compared with 6 to 8 cents about a month earlier. July futures at Buenos Aires, on the other hand, were only 12 cents under the Liverpool July contract compared with 20 cents for the week ended May 22. Futures prices at these markets together with those at Chicago, Kansas City, and Minneapolis are shown by weeks in table 1. Heavy early season shipments from Argentina so reduced the supplies in that country that there will be little or no further sales to Northern Hemisphere countries until the new harvest at the turn of the year.

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- The carryover of wheat in the United States for the 5-year period (1924-28) averaged 115 million bushels. Stocks which began to accumulate in 1929 reached the record peak of 378 million bushels in 1933. Four small wheat crops since that time, however, reduced stocks to 138 million bushels by July 1, 1936. Stocks on July 1, 1937, are forecast at about 90 million bushels.

Domestic wheat prices since the spring of 1933 have been unusually high relative to world market prices as a result of four small domestic crops caused largely by abnormally low yields per acre. During the current season, both world and domestic prices have advanced sharply as a result of increased demand and the smallest supplies in recent years.

2/ Domestic prices are discussed on page 7.

Table 1.-Average closing prices of July wheat futures, specified markets and dates, 1936 and 1937

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires	
	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month-												
Jan.	89.4	114.6	86.5	110.1	104.1	131.9	88.5	120.0	94.6	127.0	--	--
Feb.	89.4	116.0	86.7	111.2	103.0	131.1	85.6	121.7	92.6	127.9	--	--
Mar.	88.8	121.9	86.0	117.0	100.7	135.0	84.4	131.9	93.1	137.2	--	--
Apr.	88.3	122.4	86.5	117.9	97.3	133.6	81.6	134.9	91.9	142.0	--	--
May	85.8	118.2	81.6	115.0	93.1	128.3	77.2	129.5	88.2	139.4	--	--
Week ended-												
May 1	87.0	117.6	84.2	113.7	96.0	127.6	80.0	127.7	91.3	133.9	90.4	119.3
8	87.2	118.2	83.8	113.9	94.8	127.6	78.6	129.8	90.2	138.4	90.2	121.6
15	85.6	116.2	80.9	112.8	91.0	125.5	78.0	127.3	89.4	137.7	90.1	119.4
22	85.7	121.2	81.3	118.8	92.9	130.6	76.3	132.5	87.3	141.2	90.0	121.0
29	84.4	117.0	79.6	114.0	92.7	129.2	74.8	127.1	84.4	140.5	2/90.1	121.2
June 5	84.7	110.5	79.9	107.9	94.3	122.6	77.2	118.8	85.7	133.9	2/90.8	120.5
12	84.7	108.4	79.6	106.4	94.7	120.8	76.9	116.8	85.3	126.5	2/91.2	114.3
High 3/	91.8	128.2	90.6	123.0	105.9	141.4	88.9	143.1	95.2	151.2	4/91.9	4/129.0
Low 3/	84.4	108.4	79.6	106.4	91.0	120.8	74.8	116.6	84.4	123.1	4/89.8	4/114.3

1/ Conversions at noon buying rate of exchange.
2/ August futures.
3/ January 1 to date.
4/ June, July, and August futures.

Domestic wheat prospects

The production of all wheat in the United States was indicated by the June 1 condition to be from 825 to 850 million bushels compared with only 626 million bushels in 1935 and 1936 and 865 million buhels, the 5-year (1928-32) average. Winter wheat production was indicated at 649 million bushels compared with 519 million bushels in 1936 and the 5-year (1928-32) average of 623 million bushels. A probable spring wheat production of 175 to 200 million bushels was indicated on the basis of the June 1 condition and the intended acreage reported in March. The production of spring wheat last year was 107 million bushels, and the 5-year (1928-32) average was 241 million bushels.

Toward the end of May and extending into June, rain occurred over most of the Great Plains area, which checked deterioration of the crop caused by unfavorable conditions during May, and undoubtedly brought about some improvement not reflected in the June 1 report. During early June,

stem rust was observed in fields as far north as Nebraska. Information available at this time indicates that the infection is not severe as yet, and that any material damage to winter wheat from this cause will be confined to late wheat. Stem rust reported as early in the season as this, however, naturally gives rise to concern as to the extent of its future development in the spring wheat region.

While the total indicated winter wheat production is the largest since 1931, it consists of less than the usual proportion of hard red winter wheat. According to the crop report, only 339 million bushels of hard red winter wheat is indicated, compared with 393 million bushels in the 5-year (1928-32) average. The indicated production of soft red winter wheat is 258 million bushels compared with 179 million bushels, the 5-year average.

With conditions only slightly below average in the Pacific Northwest (on the basis of June 1 condition), where there has been an increase in spring wheat plantings to replace the larger-than-usual poor stands of winter wheat, the production of white spring wheat may be expected to be somewhat above average. If the production of all spring wheat should turn out about as indicated, supplies of the other two classes -- hard red spring and durum -- would be limited again for another year. During the past 3 years, 1934-35, 1935-36, and 1936-37 3/, the United States has imported 6, 25, and 21 million bushels of hard red spring wheat, respectively, for milling and seed, besides 5, 4, and 8 million bushels of durum, respectively. While the probable quantities of hard red spring and durum are not so small as to necessitate imports again, they would be below normal requirements.

Hard red winter wheat can be substituted directly for hard red spring wheat, and to a considerable extent also for durum. During the past year or so, greater than usual quantities of soft wheats were used in making bread flour. Substitution again in 1937-38 will involve greater than normal quantities of other wheats, especially hard red winter, and will thereby tend to reduce the amount of such wheat exported.

The carry-in of hard red winter wheat on July 1 is expected to be about 45 million bushels and the new crop 339 million bushels, making a total supply of 384 million bushels. Assuming a "normal" disappearance of about 270 million bushels and a carryover of about 40 million bushels, there would remain only about 75 million bushels of hard red winter wheat in excess of usual needs. This could easily be reduced by 50 percent or more, depending upon how small the production of hard red spring wheat and durum turned out to be.

The carry-in of soft red winter wheat on July 1 is expected to be about 17 million bushels and the new crop 258 million bushels, making a total supply of 275 million bushels. Assuming a "normal" disappearance of about 180 million bushels and a carryover of 20 million bushels there would remain about 75 million bushels of soft red winter wheat in excess of normal needs.

3/ Imports for 1936-37 estimated on the basis of July-April imports.

No estimates of white spring wheat are available, but, because of the opportunity to reseed poor stands of winter wheat with spring wheat in the important producing region of the Pacific Northwest, white wheat supplies may be average or better than average. While the Pacific Northwest may, therefore, be expected to have about its usual excess over local requirements, inasmuch as the United States will be a net exporter of wheat again, prices in Gulf and Atlantic points are not expected to be high enough to attract shipments of soft wheat from the Pacific Northwest to these points as has been the case in the past 3 years. Some flour, however, would be expected to be shipped to Eastern coastal points, as was the case in the 20's. Shipments of wheat and flour in terms of wheat to eastern points in the United States for the 1933-34 to 1935-36 period - during which time prices east of the Rockies were above export levels - averaged 15 million bushels compared with an average of 2 million bushels for the 10 years, 1922-23 to 1931-32.

Domestic wheat prices

Wheat prices in domestic markets, influenced by the same factors as prices in Liverpool 4/, declined during the last half of May and early June. Prices of July futures in Chicago and Kansas City fell to the lowest level since last November. No. 2 Hard Winter wheat at Kansas City declined from an average of 132 cents for the week ended May 22 to 123 cents for the week ended June 12. The average price received by farmers for wheat on May 15 was $1.18 compared with $1.27 on April 15 this year and 82 cents on May 15, 1936. Table 5 shows average cash prices in important domestic markets, and tables 1 and 6 show cash and futures prices in selected foreign as well as domestic markets.

Wheat prices in the futures markets of the United States have already adjusted to an export basis. Chicago July futures averaged 18 cents and those at Kansas City 20 cents below those of Liverpool for the week ended June 12. Some further adjustments, however, are likely in cash prices, which are still on a comparatively high level on account of the scarcity of old wheat on hand. Some new wheat has now started to move to market in the Southwest, and as the new supplies increase in volume, cash prices are likely to adjust themselves downward relative to prices in importing countries. An active demand for new crop wheat early in the season, however, will tend to act as a buffer to any price decline. Domestic mills which have permitted their stocks to decline to very low levels are expected to compete actively for new crop wheat to replenish their stocks. Moreover, relatively high corn prices in the United States may lend strength to wheat prices in the event that foreign prices of wheat should decline materially. Should the downward adjustments in the next few months be accompanied by significant exports, prices would be expected to advance later in the year, not only because of the reduction or elimination of the surplus from the United States but also on account of the strengthening of world markets.

4/ See page 6 for foreign prices.

Table 2.- Wheat acreage sown in specified countries, 1935-37

Country	Year of harvest		
	1935	1936	1937
	1,000 acres	1,000 acres	1,000 acres
United States:			
Winter 1/	33,402	37,608	47,410
Spring	17,827	11,212	2/ 20,918
Canada (total)	24,116	25,289	25,014
Total (2)	75,345	74,109	93,342
Europe:			
Belgium 3/	380	420	431
Czechoslovakia	2,387	2,296	2,123
England and Wales	1,772	1,704	1,670
France	13,251	12,711	13,022
Germany 3/	4,754	4,757	1/ 4,263
Greece	2,092	2,128	2,076
Italy	12,367	12,683	4/ 12,862
Latvia 3/	210	146	154
Lithuania 3/	414	349	388
Luxemburg 3/	43	44	44
Poland 3/	3,756	3,734	3,647
Total (11)	41,426	40,972	40,680
Bulgaria 3/	2,846	2,586	2,842
Hungary 3/	4,154	4,045	3,706
Rumania 3/	7,740	7,719	7,253
Yugoslavia 3/	5,367	5,368	5,342
Total (4)	20,107	19,718	19,143
Total Europe (15)	61,533	60,690	59,823
Africa:			
Algeria	4,095	4,287	4/ 3,855
Tunisia	2,026	1,221	4/ 1,952
Egypt	1,463	1,463	1,415
Morocco	3,616	3,194	2,743
Total Africa (4)	11,200	10,165	9,965
Asia:			
India (May estimate)	34,482	33,494	32,720
Total 22 countries	182,560	178,458	195,850
Russia	32,506	34,721	5/ 36,797
Estimated Northern Hemisphere total acreage, excluding U.S.S.R. and China	216,200	211,600	

Compiled from official sources except as otherwise noted.

1/ Winter acreage remaining for harvest.

2/ Indicated for harvest.

3/ Winter wheat.

4/ Estimated in the Paris office of the Bureau of Agricultural Economics.

5/ Area provided for in the Plan.

Table 3.- Spreads between domestic wheat prices and prices at Winnipeg and Liverpool, specified periods, 1934-37

Month and year	Futures per bushel: Amount Chicago averaged above: Winnipeg July	Futures per bushel: Amount Chicago averaged above: Liverpool July	Futures per bushel: Amount Kansas City averaged above: Winnipeg July	Futures per bushel: Amount Kansas City averaged above: Liverpool July	Cash wheat per bushel: Amount No. 2 Hd. Winter (Kansas City) averaged above: No. 3 Manitoba (Winnipeg)	Cash wheat per bushel: Amount No. 2 Hd. Winter (Kansas City) averaged above: Parcels (Liverpool)
	Cents	Cents	Cents	Cents	Cents	Cents
January -						
1934	18	18	11	11	25	15
1935	8	13	4	9	29	23
1936	1	-5	-2	-8	34	13
1937	-5	-12	-10	-17	18	6
March -						
1934	17	18	10	11	20	15
1935	8	16	5	13	23	17
1936	4	-4	2	-7	30	14
1937	-10	-15	-15	-20	8	2
May -						
1934	16	18	8	11	20	19
1935	5	13	4	12	21	15
1936	9	-2	4	-7	24	8
1937	-11	-21	-14	-24	6	-9
Week ended June 12 -						
1934	18	25	11	18	21	1/
1935	-1	3	-2	2	16	1/
1936	8	-1	3	-6	18	1/
1937	-8	-18	-10	-20	10	1/

1/ Price of parcels at Liverpool not available.

Table 4.- Exports of wheat and wheat flour from the United States, 1935-36 and 1936-37 1/

Date	Wheat: 1935-36	Wheat: 1936-37	Wheat flour: 1935-36	Wheat flour: 1936-37	Wheat including flour: 1935-36	Wheat including flour: 1936-37
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July - Apr.	251	2,003	2,715	3,245	13,295	17,254
Week ended						
May 8	13	66	23	41	121	259
15	0	75	25	28	118	207
22	1	74	22	34	104	234
29	0	79	20	31	94	225
June 5	0	81	18	35	85	245
12	0	512	36	43	169	714

Compiled from reports of the Department of Commerce. 1/ Includes flour milled in bond from foreign wheat.

Table 5.- Wheat surplus for export or carryover in the three principal exporting countries, United Kingdom port stocks and stocks afloat, June 1, 1934-37 1/

Position	1934	1935	1936	1937
	Mil. bush.	Mil. bush.	Mil.bush.	Mil.bush.
Canada:				
In Canada	233	223	173	63
In United States	5	9	13	8
Argentina	123	81	38	26
Australia	90	60	43	48
Total	451	373	267	145
United Kingdom port stocks	14	10	10	13
Stocks afloat to:				
United Kingdom	10	15	14	14
Continent	10	10	9	20
Orders	10	10	8	8
Total	44	45	41	55
Total above	495	418	308	200

1/ Carryover at the beginning of the year (Canada, July 31; Argentina, January 1; Australia, December 1 of the previous year) plus production, minus domestic utilization for the year, minus monthly exports to date.

Table 6.- Weighted average cash price of wheat, specified markets and dates, 1936 and 1937

Date	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Hd. Amber Durum Minneapolis		No.2 Red Winter St. Louis		Western White Seattle 1/	
	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936	1937
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month-												
Jan.	106.6	144.3	112.6	138.0	132.6	165.9	119.9	171.3	108.7	139.6	88.9	112.2
Feb.	107.1	138.5	110.0	136.5	131.1	159.4	121.4	170.0	109.0	143.2	86.3	114.4
Mar.	98.1	141.6	105.9	138.6	123.9	153.0	113.8	183.2	107.9	143.0	86.4	117.0
Apr.	94.9	140.8	102.0	140.0	122.6	155.9	105.8	172.0	106.7	143.6	84.9	119.5
May	90.0	131.5	94.9	132.0	113.6	146.3	106.0	128.4	101.7	131.9	80.5	115.8
Week ended												
May 1	93.0	131.8	100.8	134.0	121.3	150.4	108.8	124.6	105.6	135.5	83.8	116.8
8	91.8	133.0	96.0	135.6	117.9	141.6	103.5	127.8	102.4	135.8	82.3	117.8
15	87.4	129.8	93.3	129.7	108.4	146.3	105.9	127.9	99.5	130.7	80.0	112.1
22	89.7	132.3	93.7	131.9	112.2	147.4	107.8	129.7	101.2	---	80.6	118.2
29	90.1	131.0	90.5	130.3	114.4	145.6	107.1	128.2	100.3	131.8	78.4	115.2
June 5	90.6	123.7	91.3	127.2	119.5	139.4	103.6	117.2	99.7	125.0	78.3	110.0
12	90.1	123.3	89.4	123.4	118.2	136.3	105.1	109.9	95.4	123.1	78.1	
High 2/	108.4	149.6	118.0	144.5	135.4	169.8	123.1	206.2	110.9	147.4	90.2	122.0
Low 2/	87.4	123.3	89.4	123.4	108.4	136.3	103.2	109.9	95.4	123.1	78.1	109.5

1/ Weekly average of daily cash quotations, basis No. 1 sacked.
2/ January 1 to date.

Table 7.- Average price per bushel of wheat, specified markets and dates, 1937

Date	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Jan.	138.0	165.9	120.2	91.3	126.7	129.0	2.23
Feb.	136.5	159.4	121.1	99.5	124.7	119.4	2.23
Mar.	138.6	153.0	130.3	114.2	133.0	119.1	2.23
Apr.	140.0	155.9	133.0	123.4	143.5	133.2	2.23
May	132.0	146.3	125.7	122.5	141.1	130.1	2.23
Week ended.-							
May 1	134.0	150.4	123.8	122.2	135.8	132.4	2.23
8	135.6	141.6	125.2	123.9	138.4	130.0	2.23
15	129.7	146.3	123.5	121.2	139.4	130.1	2.23
22	131.9	147.4	129.1	122.5	143.1	129.1	2.23
29	130.3	145.6	123.9	122.9	142.5	131.2	2.23
June 5	127.2	139.4	116.2	122.1	133.9	130.9	
12	123.4	136.3	113.2	115.4	126.5		

Prices are averages of daily prices for the week ending Saturday except as follows: Berlin prices are Wednesday quotations. Prices at foreign markets are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Winter.
2/ No. 1 Dark Northern Spring. No. 1 Heavy for week ended February 6.
3/ No. 3 Manitoba Northern.
4/ Near futures.
5/ Home-grown wheat in England and Wales.
6/ Central German wheat, wholesale trade price free Central German Station.

Table 8.- Shipments of wheat, including flour from principal exporting countries, specified dates, 1935-36 and 1936-37

Date	Argentina		Australia		Danube		North America	
	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July - Apr.	69,624	150,538	96,896	80,780	8,168	53,720	167,784	192,102
Week ended								
May 8	952	1,696	1,852	2,236	0	2,640	6,680	2,792
15	1,136	2,076	2,384	3,056	0	1,616	5,216	4,832
22	1,228	2,004	1,872	3,220	0	1,616	6,680	4,864
29	560	1,008	1,796	4,312	0	2,400	5,552	2,728
June 5	1,456	2,711	1,540	3,794	0	920	6,400	2,835
12	940	1,181	1,264	2,285	0	976	6,912	3,861

Compiled from Broomhall's Corn Trade News.

Table 9.-Movement of wheat, including flour, from principal exporting countries, 1933-34 to 1936-37

Country	Exports as given by official sources						Date
	Total			July 1 to date shown			
	1933-34	1934-35	1935-36	1934-35	1935-36	1936-37	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States	37,002	21,532	15,930	18,911	13,295	17,254	Apr. 30
Canada	198,555	169,630	237,447	147,488	180,412	189,497	Apr. 30
Argentina	144,854	187,000	76,577	174,763	72,547	157,925	May 31
Australia	86,509	108,010	102,258	82,060	78,430	65,669	Mar. 31
Russia	33,787	4,286	29,704	3,819	28,565	3,499	Mar. 31
Hungary	29,615	12,499	14,644	8,855	10,310	22,643	Mar. 31
Yugoslavia	839	4,401	728	3,888	142	12,753	Mar. 31
Rumania	248	3,432	9,996	0	9,996	5,042	Mar. 31
Bulgaria	4,236	375	987	7	954	5,235	Mar. 31
British India	2,084	2,318	2,529	1,496	1,462	11,479	Jan. 31
Total	537,729	513,483	490,800				

	Shipments as given by trade sources						
	Total		Week ended (1937)			July 1 - June 12	
	1934-35	1935-36	May 29	June 5	June 12	1935-36	1936-37
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North American 1/	162,832	219,688	2,728	2,835	3,861	205,224	214,014
Canada, 4 markets 2/	176,059	246,199	2,851	2,915	2,674	235,374	189,253
United States	20,997	14,207	225	245	714	6,905	9,537
Argentina	186,228	77,384	1,008	2,711	1,181	75,896	161,214
Australia	111,628	110,060	4,312	3,794	2,285	107,604	99,683
Russia	1,672	30,224	0	0	0	29,024	88
Danube & Bulgaria 3/	4,104	8,216	2,400	920	976	8,168	63,888
British India	4/2,318	4/2,529	48	48	792	320	10,320
Total 5/	468,782	448,101				426,236	549,207
Total European shipments 1/	887,752	355,032	10,456			6/ 328,824	6/ 444,456
Total ex-European shipments 1/	147,938	133,528	1,504			6/ 118,304	6/ 116,456

1/ Broomhall's Corn Trade News.
2/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
3/ Black Sea shipments only.
4/ Official.
5/ Total of trade figures includes North America as reported by Broomhall's, but does not include items 2 and 3.
6/ To May 29.

Table 10.-Net imports of wheat, including flour, into European countries, year beginning July 1, 1935-36 - 1936-37

Country	Net imports reported				
	1935-36	1936-37 forecast 1/	July 1 to	1935-36	1936-37
	Million bushels	Million bushels		Million bushels	Million bushels
Austria	7	10	Mar. 31	6	7
Belgium	39	42	Mar. 31	29	31
Czechoslovakia	1	2/ -7	Mar. 31	1	2/ -5
Denmark	9	10	Mar. 31	6	6
Finland	4	3	Mar. 31	3	3
France	7	22	Jan. 31	7	4
Germany	3/	18	Mar. 31	3/	1
Greece	15	17	Mar. 31	10	12
Irish Free State	15	11	Apr. 30	12	11
Latvia	2/ -2	1	Mar. 31	2/ -2	3/
Netherlands	21	22	Apr. 30	17	18
Norway	8	8	Apr. 30	7	6
Poland	2/ -8	2/ -6	Mar. 31	2/ -6	2/ -6
Portugal	2/ -3	3	Mar. 31	1	3/
Spain	4/	6	Mar. 31	3/	---
Sweden	2/ -2	1	Apr. 30	2/ -2	4/
Switzerland	17	17	Apr. 30	13	16
United Kingdom	205	220	Apr. 30	167	168
Total imports of above	348	411			
Italy	7	62			
Total imports	355	473		279	283
Total exports	15	13		10	11
Total, net imports	340	460		269	272

Compiled from official sources, except as otherwise stated.
1/ Based largely on estimates of the Foreign offices of the Bureau of Agricultural Economics.
2/ Net exports. 3/ Less than 500,000 bushels. 4/ Net exports of less than 500,000 bushels.

Table 11.-Durum wheat: Area and production in Morocco, Algeria, and Tunisia, average 1930-34, annual 1936 and 1937

Country	Acreage			Production		
	1930-34	1936	1937	1930-34	1936	1937
	1,000 acres	1,000 acres	1,000 acres	1,000 bushels	1,000 bushels	1,000 bushels
Morocco	2,179	2,402	2,051	207,343	84,877	102,881
Algeria	3,022	3,232	2,812	225,935	186,509	176,368
Tunisia	1,745	890	1,606	91,344	44,092	102,881
Total	6,946	6,524	6,469	524,622	315,478	382,130

From report of the Paris office of the Bureau of Agricultural Economics.

THE RYE SITUATION

BACKGROUND.- Rye production in the United States before the War about equaled domestic utilization. During the War, acreage was increased and large exports followed. In 1933 and 1934, production was reduced by drought conditions to less than the amount normally used in the United States, and a considerable amount of rye was imported. A large crop in 1935 greatly reduced but did not eliminate imports.

The production of rye in the United States, as indicated by conditions on June 1, 1937, is 46 million bushels compared with 25½ million bushels in 1936 and the 5-year (1928-32) average of 38 million bushels. During May, conditions were generally favorable for the crop in the North Central States and prospects improved in all States in this region except North Dakota, where a moderate decline was noted. Above average yields are in prospect in most of the Eastern half of the country, while below average yields are indicated in the West, with the poorest prospects in North Dakota, Nebraska, and Montana. The indicated production of 46 million bushels is about equal to the disappearance in 1936-37, when large amounts were fed because of the short feed situation.

United States stocks (July 1 commercial and June 1 farm) at the beginning of the 1936-37 year plus production totalled 52 million bushels compared with 70 million bushels in 1935-36. The apparent disappearance in 1936-37 amounted to 46 million bushels compared with 50 million in 1935-36. With limited supplies of quality rye for distilling purposes, about 4 million bushels were imported compared with 2 million in 1935-36. The supply and distribution of rye in the United States, beginning with 1934-35 together with the 1928-32 average, is shown in table 11.

Rye prices in the United States have declined since April, influenced by new crop prospects. No. 2 Rye at Minneapolis averaged 98 cents for the week ended June 12 compared with 112 cents, the average for the month of April. Rye prices moved steadily upward during the first half of the season and then fluctuated around this level, reflecting an active demand for limited supplies of good quality grain both in the United States and the world. Table 12 shows No. 2 rye prices at Minneapolis beginning with 1920-21.

In Europe, even with favorable weather for the remaining growing season, the chance of a rye crop larger than the very small one of last year seems unlikely. Although rye suffered less damage from winterkill than wheat, it has been adversely affected by the rainy spring. The June 1 condition of rye in Germany, the largest producing country in Europe, was barely average; the condition in Poland and in Czechoslovakia was below average. The condition in Canada on May 31 was 73 percent of normal compared with 86 percent last year.

Rye acreage, as reported in "The Wheat Situation" for May, remains unchanged. European acreage, for the 13 countries reporting, is estimated at 34.2 million acres, compared with 35.5 million acres in 1936 and 35.6 million acres in 1935.

Table 12.- Rye: Acreage, yield, production, supply, indicated disappearance, net exports, and price 1919-20 to 1936-37

Year beginning July	Acreage harvested	Average yield per acre	Production: United States	Production: World excluding Russia and China	Production: U.S. as percentage of world	Net imports including flour 1/	Stocks at end of crop year 2/	Indicated disappearance	Farm price per bushel
	1,000 acres	Bush.	1,000 bush.	Mil. bush.	Percent	1,000 bush.	1,000 bush.	1,000 bush.	Cents
1928-32 av.	3,315	11.5	38,212	96.9	3.9	3/2,686	---	---	55.2
1934-35	2,035	8.4	17,070	94.2	1.8	11,230	11,283	---	71.8
1935-36	4,141	14.2	58,597	97.6	6.0	2,236	22,299	49,817	39.5
1936-37	2,757	9.3	25,554	91.3	2.8	(3,936)	(6,200)	(45,589)	4/(80.5)
1937-38 5/	4,092	11.2	45,974	---	---	---	---	---	---

1/ Total imports minus total exports (domestic plus foreign). For the period 1919 to 1928 net exports averaged 30,846,000 bushels annually; pre-war production about equaled domestic utilization. (1 bbl. of rye flour = 6 bushels of rye.)
2/ Includes stocks on farms as of June 1 (available only beginning with 1935 and only for June 1) plus commercial stocks as of July 1.
3/ Net exports.
4/ Preliminary figure published December 1936.
5/ June 1 indications.

Table 13.- Rye, No.2: Weighted average price per bushel of reported cash sales, Minneapolis, by months, 1915-16 to 1936-37

Crop year	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Weighted average
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1915-16	101.9	96.9	90.1	95.9	93.1	92.1	96.1	94.7	89.0	93.1	93.9	94.2	93.5
1916-17	92.6	114.8	119.5	126.1	143.8	137.5	141.6	141.6	158.4	180.0	225.6	237.2	134.7
1917-18	220.2	175.0	184.2	180.5	177.3	183.3	192.6	224.1	291.1	274.0	230.3	184.8	193.4
1918-19	184.2	168.0	160.0	157.8	161.8	156.6	154.3	134.3	154.1	170.6	154.6	144.7	157.5
1919-20	153.7	148.2	139.0	136.2	138.1	166.4	173.3	153.4	169.7	194.6	208.2	214.4	160.2
1920-21	208.7	191.6	185.3	166.2	148.3	148.9	158.0	144.0	142.0	128.0	137.0	126.1	160.6
1921-22	115.2	100.5	99.1	79.7	72.3	78.5	75.1	95.4	96.9	97.1	101.6	86.2	92.0
1922-23	76.0	68.7	66.5	71.3	81.1	83.4	81.6	80.5	76.0	80.7	72.4	63.8	75.5
1923-24	60.8	62.2	65.9	66.1	64.1	65.1	66.7	66.2	62.6	61.1	63.0	69.9	64.9
1924-25	83.1	85.7	95.0	121.0	123.3	132.7	154.4	153.7	129.9	106.4	114.2	110.5	114.2
1925-26	95.4	99.9	82.6	77.1	81.1	98.5	98.7	90.7	80.8	84.7	82.5	89.4	87.5
1926-27	101.8	96.6	93.3	94.9	93.5	94.2	99.1	102.2	98.7	99.5	109.4	110.5	98.3
1927-28	103.6	91.7	91.8	92.0	99.1	102.1	102.9	106.0	114.3	124.5	127.8	123.3	103.7
1928-29	110.6	93.6	94.0	93.9	97.5	96.6	103.3	104.8	99.7	88.7	85.4	84.3	95.3
1929-30	106.5	97.9	97.1	96.8	94.5	98.0	91.1	78.3	66.4	67.9	64.9	57.4	90.2
1930-31	54.6	59.6	54.8	49.1	42.7	43.6	38.3	37.4	35.7	35.2	36.4	36.6	51.3
1931-32	36.7	38.1	38.8	40.8	51.3	45.3	46.0	46.0	47.4	44.6	38.7	32.4	41.8
1932-33	31.9	33.8	34.1	31.8	30.6	30.7	32.5	32.2	35.1	43.3	52.4	62.1	40.6
1933-34	83.5	72.3	71.3	62.3	62.3	59.9	63.7	61.1	59.2	57.2	59.3	68.7	68.5
1934-35	76.7	89.3	86.7	75.7	76.0	80.4	76.2	68.7	61.2	61.5	54.3	46.3	81.0
1935-36	48.1	45.0	46.5	51.9	48.6	49.0	53.5	56.9	52.1	49.7	51.7	58.2	50.2
1936-37	75.0	82.5	86.7	85.1	91.6	109.9	113.2	110.6	109.0	112.4	108.9		

Compiled from Minneapolis Daily Market Record. Average of daily prices weighted by car-lot sales.